

TRANSMITTAL

LIDYWaterquality

STATE OF UTAH

DIVISION OF WATER QUALITY
DEPARTMENT OF ENVIRONMENTAL QUALITY
288 NORTH 1460 WEST
P.O. BOX 144870
SALT LAKE CITY, UTAH 84114-4870



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	MAIL	DATE:	December 23,1998
	FAX		
TO:	Mike Fore	FROM:	STEVEN MWeal
	BLM		
	Selt Lake field Office	PHONE #:	538-6075
			MOJECEN FIN
PHONE #:			MAR 2 2 1999
We are please	ed to provide the following to you:		DIV. OF OIL, GAS & MINING
ITEM:	Clifton Mining Request To	discharge	
FAX #:			s Including Cover Sheet:
	For your action		
	For your information Per previous conversation on		
	Per your/our correspondence dated Other		
MESSAGE:	Please provide any comments		

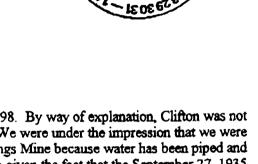
Clifton Mining Company

70 West Canyon Crest Rd. Suite D Alpine, Utah 84004 (801) 756-1414 Fax (801) 756-5454

December 15, 1998

Don A. Ostler P.E.
Department of Environmental Quality
Division of Water Quality
288 North 1460 West
Salt Lake City, Utah 84114-4870

Dear Mr. Ostler,



Division of Water Quality

We are in receipt of your letter dated December 8, 1998. By way of explanation, Clifton was not aware of the fact that it needed any surface water permits. We were under the impression that we were grandfathered in the pumping of the water from the Cane Springs Mine because water has been piped and pumped from the mine for at least the last eight decades. Also given the fact that the September 27, 1935 Certificate of Appropriation of Water from the State of Utah directs that the excess water from the tailings and mine usage be placed back into the natural drainage and this we assume means surface discharge (please see the copy of the Certificate of Appropriation of Water from the State of Utah attached to this letter).

There are two registered and certified water sources that come from the Cane Springs, one is on the west and the other is on the east. The water source on the west is a free flowing source that comes from a mine tunnel into a splitter. The first right to the water belongs to Clifton and free flows down to the Clifton mill for use in the mill. The second right to the water belongs to the BLM, and from the splitter, their water then flows into a tank. The tank is used to water sheep and other animals, both domestic and wild. The overflow from the tank flows into the stream bed and disappears into the sandy bottom within 500 feet of where it comes to the surface. There are a number of chucker and other wild birds and animals that depend on the water, drinking from it after it flows from the tank and before it disappears into the ground.

The second registered source of water from the Cane Springs comes from a shaft that is located on the east side. This source of water has also been used for many decades. This water source is owned by Woodman Mining Company, which was incorporated in approximately 1894 when it began mining from the property. In the early 1930's Woodman installed two pumps on the east side water shaft, to pump water for the pumpose of dewatering the mine and also as a secondary source of water for the mill and other pumposes. The first pump at that time was pumping water into a pipe that ran down to the mill. The other pump pumped the water into the adjacent canyon, where it ran down the canyon and joined into the main wash that runs west of the town of Gold Hill and from thence down onto the U.S. bombing range. The wash that comes from the west side mine tunnel also joins this same main Gold Hill wash, and also ends up on the U.S. bombing range. Clifton and a predecessor company (American Consolidated Mining Co.) have been using the water being pumped from the east side shaft for almost two decades in the mill. The water has been tested many times over the years from both sources and comes out in a condition that is clear and clean.

The east side mine shaft water was again recently tested along with the mill tailings water, at the request of the State of Utah, Division of Water Quality, Ground Water Department, under the direction of Kiran L. Bhayani, Lyle W. Stott, and as outlined by Mark Novak. Drinking water tests were performed on both water sources to determine if either the mine water or mill water posed a threat to ground water. After receiving and reviewing the test results, The Ground Water Department has determined that neither source poses any threat to ground water (please see the test results included with this letter).

Clifton pumped a small amount of water, over a few days, into the same drainage as it was pumped into in the past. Clifton's only intention in pumping the water, was to determine the amount of water flow coming into the mine and it was determined that the flow is approximately 400 gpm. What Clifton would now propose to do, under the direction of all concerned, is to pump down the water level in the mine, to a point where a bulk head may be placed in the mine, so that all the water flowing from the mine will be in a pipe, that can be used for the mill, agricultural or other needed uses and also so that the mine may be put back into operation. Clifton has hired Patrick Harrison, an international construction company to do the work of putting in the bulk head. They have recently successfully completed a similar job for Kennecott, in which a mine water source was piped and is now serving useful purposes. It is estimated that the job would only take a few weeks to complete, and then no more surface water would be pumped from the mine.

Clifton's management apologizes for the fact that no surface water permit was acquired before any pumping began. But, we were under the assumption that we had the approval of the Department of Water Quality in continuing to pump from the Cane Springs, for mill and other water uses and were unaware of the fact that there was a surface water division. We had made the test and ceased pumping from the shaft long before receiving the cease and desist order from the Surface Division. We have pumped no water from the source since the test was made and will endeavor to acquire whatever permits you deem necessary, before we commence any further surface discharge of water.

in communicating with Curt McCormick from the Element of the August suggested that we apply for a temporary pumping permit, allowed under a contracter construction provision in Utah. You also in our conversation suggested that this may be a viable option. Please inform me of what you need me to do to comply with this provision.

Thank you for your time in this matter.

Sincerely, Wollie Wollie

William D. Moeller, President & Chairman

Enclosures

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